

## STATE PROPERTIES COMMITTEE

Tuesday, September 12, 2006

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration, Ms. Genevieve Allaire Johnson from the Rhode Island Department of Attorney General and Robert Kay, Public Member. Also in attendance were Paul Carcieri, William McCarthy, Robert B. Jackson, Grace Smith, Maureen McMahon and David Sasso from the Rhode Island Department of Transportation; Louis DeQuattro, Jr., from the Rhode Island Department of Administration; Captain David O'Mara from the Rhode Island Office of the Adjutant General; Louis Saccoccio, J. Vernon Wyman and Robert A. Weygand from the University of Rhode Island; John Faltus and Joseph Dias from the Rhode Island Department of Environmental Management; Robert C. Bromley from the Senate Fiscal Office; Michael Vocolla from Procaccianti Group; Joseph P. Marasco and Donna M. Nesselbush from Marasco Nesselbush, LLP; and Salvatore Lombardi and Jose Genao from Rhode Island Council 94.

The next meeting of the State Properties Committee is scheduled to be held on Tuesday, September 26, 2006.

A motion was made to approve both the general and Executive Session minutes from the State Properties Committee meeting of August 30, 2006, by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

from its general revenues over the next eight (8) years. As evidenced on the payment schedule attached to the Land Purchase and Sales Agreement, Mr. Saccoccio indicated that at six (6%) percent interest the total payment is approximately \$1,462,000.00, which is approximately \$32,000.00 lower than the amount authorized by the General Assembly. Mr. Saccoccio indicated that a portion pf the subject property is located near the former South Kingstown dumpsite. Two environmental assessments of the property have been conducted to ensure that no contamination is present. Chairman Williams asked whether the appraisal of the property was an external appraisal. Mr. Saccoccio indicated that the appraisal was an external appraisal. Mr. Kay asked what the University of Rhode Island's future plans were for the property. Mr. Weygand explained that the University of Rhode Island proposes to develop a portion of the property for a research and technology park. Mr. Weygand also indicated that the University of Rhode Island does not have sufficient faculty housing. Therefore, a portion of the property will probably be developed for faculty housing on an affordable housing concept to serve the young members of the University's faculty. Mr. Weygand indicated this housing will not only benefit the University, but also the Town of South Kingstown, as it will assistance the Town in fulfilling its affordable housing requirements. Mr. Weygand also stated that the University is investigating the feasibility of developing alumni housing for those individuals between the ages of fifty-five (55) to seventy-five (75) who would like to be associated with the University of Rhode Island in terms of taking courses, volunteering as mentors and instructors. Mr. Saccoccio indicated that in Paragraph 11 of the Land Purchase and Sales Agreement there are two (2) errors, which should be corrected. In the ninth (9th) line the word Buyer shall be corrected to the word Seller. The same correction

agencies. Captain O'Mara indicated that the properties will not be transferred to the local redevelopment agencies, however, they will have the final say as to which bid is accepted for the use of the subject properties. Chairman Williams asked that if the properties are part of a bid process and the Rhode Island Army National Guard received a one hundred (100%) percent discount, how will that impact the local redevelopment agency's decision regarding who receives the bid. Captain O'Mara indicated that the Rhode Island Army National Guard's public benefits conveyance will not influence the decision of the local redevelopment agency as, it will not receive any monetary benefit from the sale of the properties and further its decision is based upon 'best use'. Mr. Griffith asked what the condition of the properties is and whether the Army Reserve is required to maintain the properties until the time of handover. Captain O'Mara indicated that the Army Reserve is required to maintain the properties until the time of handover. Captain O'Mara also stated that the Bristol facility was completely renovated seven (7) years ago and the Warwick facility was renovated approximately five (5) years ago, inclusive of new roofs, windows, doors and all mechanical systems. Mr. Griffith asked if the Rhode Island Army National Guard can integrate the cost of property maintenance into its budget over the next five (5) years. Captain O'Mara indicated the Rhode Island Army National Guard could integrate these expenses into its budget within that period of time.

Chairman Williams asked if there were any further questions from the Committee. As the Committee members had no further questions, Chairman Williams asked if there were any questions from the floor. Pursuant to a letter dated May 16, 2006, authored by W. Michael Sullivan, Director of the Department of Environmental Management, addressed to Commander 94th Regional Readiness Command in Devins Massachusetts, John Faltus

from Lorraine Cloutier and Roger Bouchard, who are the Co-Chairpersons for the 2006 Autumnfest celebration. Mr. Faltus explained that they are requesting permission to charge a \$1.00 entrance fee, through the issuance of Autumnfest buttons. The Autumnfest buttons would then be part of a raffle at the conclusion of the celebration. The Co-Chairs indicated that this will be a means of raising money for this non-profit organization, as it is experiencing financial hardship. Mr. Faltus stated that this proposal was just brought to his attention on Friday, September 8, 2006, and is not part of the License Agreement before the State Properties Committee today. Mr. Faltus indicated that the Department of Environmental Management has some concerns and reservations regarding the request to charge an entrance fee. Although the World War II State Park is a small facility, it is a state park open to the public at no charge, and it is unclear as to how the park could be secured in order to charge an entrance fee. Mr. Faltus recommends that the Autumnfest Corporation accomplish its goal to raise money by distributing the buttons in exchange for donations rather than by requiring an entrance fee. The State Properties Committee agreed and recommended that all contributions be on a voluntary basis and that no entrance fee be required. A motion to approve was made by Mr. Griffith seconded by Ms. Allaire Johnson noting that there will be no entry fee required for this event, and the buttons will be distributed as part of a voluntary raffle. Mr. Faltus indicated he would inform the Autumnfest Corporation of the Committee's recommendation in writing.

Passed Unanimously

ITEM E -Department of Environmental Management -A request was made for approval of and signatures on a Conservation Easement between the State of Rhode

4, on the easterly side of Hopking Hill Road in the Town of West Greenwich. The property is located at the headwaters of Queen's River, which is one of the most pristine rivers in southern New England. The Queen's River supports native brook trout, freshwater mussels and dragonflies. Chairman Williams asked, if the West Greenwich Land Trust received a grant in the amount of \$300,000.00, and the purchase price of the property is \$163,680, will the remainder of the grant money be returned. Mr. Dias explained that the grant the West Greenwich Land Trust received was for up to \$300,000.00. The Nature Conservancy, because of other funding which it has received, does not need to be reimbursed for the entire grant amount of \$300,000.00. The West Greenwich Land Trust is only required to reimburse the amount of \$163,680. Mr. Griffith asked what types of restrictions will be on the property. Mr. Dias indicated this property is highly restricted. There will be some trails through non-sensitive areas of the property and a gravel parking lot to accommodate four (4) to five (5) cars at the most. A motion was made to approve by Mr.Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM G -Department of Transportation - A request was made for conceptual approval to convey approximately 2,700 square feet of land located along Douglas Pike/Route 7 in the Town of Smithfield to Charles and Donna Johnson. Ms. Smith explained that the applicants own the abutting commercial property. The subject property is rectangular in shape, at street grade and landscaped with grass and small shrubs. The applicants wish to continue with the beautification of this parcel of land. The Department of Transportation will retain a ten (10) foot buffer from the curb to the back of the utility poles for any future highway work. The Department of Transportation

it is his understanding that the Rhode Island Department Economic Development Corporation is still the owner of the Quonset Davisville Park. Chairman Williams asked Mr. Jackson to clarify that this request concerned only the roadway and that no other property will be transferred to the developer. Mr. Jackson indicated that this request is just for the roadway. A motion was made to approve by Mr. Kay and seconded by Mr. Griffith.

Passed Unanimously

ITEM I -Department of Transportation -This was a request by the State Properties Committee for the Department of Transportation to provide updated information regarding property located on Westminster Street and Service Highway #7 in the City of Providence designated as Assessor's Plat 25, Lot 441. Mr. Carcieri provided several maps of the subject property to the State Properties Committee members for their review. Mr. Carcieri explained that the Department of Transportation previously appeared before the State Properties Committee on January 31, 2006, concerning conceptual approval to convey property, which abuts Westminster Street and Interstate 95 Service Road #7 in the City of Providence. At that time, the Department of Transportation represented to the State Properties Committee that the Department of Transportation had received interest in the subject property from 02903 Realty Partners, LLC, which is a subsidiary of the Procaccianti Group. Those representations included information that the Procaccianti Group was poised to obtain a purchase and sale agreement and had acquired interests in all of the surrounding private properties to the State-owned land. Mr. Carcieri indicated that the Procaccianti Group represented to the Department of Transportation that it would be seeking the abandonment of two (2)

rent. 681 Westminster Street, LLC has requested that the Department of Transportation renew its license agreement upon certain terms and conditions. At the State Properties Committee meeting of January 31, 2006, the Department of Transportation introduced a letter of acquiescence from 681 Westminster Street, LLC, which indicated that it did not object to the loss of its tenancy or to the acquisition of the State-owned property by the Procaccianti Group. Chairman Williams asked whether the Procaccianti Group owns the property or is a sale still pending. Mr. Carcieri introduced Mr. Voccola from the Procaccianti Group and deferred Chairman Williams' question to him. Although, Mr. Carcieri added that the representation made to the Department of Transportation by Procaccianti Group was that it had acquired a purchase and sale agreement for the surrounding property. Mr. Voccola indicated that 02903 Realty Partners, LLC has the parcel of land under a binding purchase and sale agreement. Mr. Voccola explained that a provision of said purchase and sale agreement is that the seller, 681 Westminster Street, LLC, assist 02903 Realty Partners, LLC with an assignment and/or sale of the State-owned parcel of land. Additionally, 681 Westminster Street, LLC is contractually obligated to work with 02903 Realty Partners, LLC on the abandonment of a portion of Lyman Street, and Stewart Street in its entirety, as well as the replacement of Stewart Street with a new road in order to preserve the traffic pattern through the site. Chairman Williams asked what the status of the abandonment is at this time. Mr. Voccola explained that 02903 Realty Partners, LLC filed a street abandonment many months ago when conversations were first initiated with the Department of Transportation; however, due to modifications to the procedure for street abandonment in the City of Providence, 02903 Realty Partners, LLC was required to begin the process over again. Mr. Voccola

Administration became aware that there was another party interested in the subject property. Mr. Carcieri indicated that he first became aware another party may be interested in the property in early 2005. In March of 2005, Mr. Marasco directed a query to the Department of Transportation requesting to be apprised of any developments in the sale of this property. Mr. Carcieri stated that when the Department of Transportation came before the Committee in January 2006, the street abandonment scenario mooted any other interest in the property, as the abandonment would absolutely and legally land-lock the property. Chairman Williams agreed that would be the case if the abandonment was approved. However, it should not have been assumed the abandonment would be approved, because if there are two parties interested in the property, a public sale may have produced a higher value for the property. Mr. Carcieri indicated the Department of Transportation relied upon the abandonment to settle any local issues. However, if that is not the case, then the Department of Transportation will once again examine how to dispose of this property. Mr. Carcieri stated that he does not believe the Department of Transportation has jeopardized any other interests. Chairman Williams expressed his concern that by treating the abandonment as a forgone conclusion, the option for a public sale was precluded, albeit two parties were interested in the property. Ms. Allaire Johnson echoed Chairman Williams' comments relative to a public sale of the property. Mr. Marasco and Ms. Nesselbush requested an opportunity to address the State Properties Committee, as Marasco Nesselbush, LLC is the other party interested in the subject property. After a series of questions which were directed to Mr. Carcieri by Mr. Marasco, Chairman Williams informed Mr. Marasco that a State Properties Committee meeting is not the proper forum to conduct an inquisition. Chairman Williams indicated



the Department of Administration is seeking retroactive approval of the Lease Agreement. The Lease Agreement commenced in October of 2002. Mr. DeQuattro explained that the Rhode Island Lottery was previously under the control of the General Assembly; however, as of July 1, 2005, the Rhode Island Lottery is under the control of the Executive Branch. At that time, the Department of Administration conducted its due diligence relative to the operational issues of the Rhode Island Lottery. It was discovered that a lease existed; however, it was not memorialized properly. Therefore, the Department of Administration recently prepared a Lease Agreement for approval by the State Properties Committee although the Lease Agreement is retroactive in nature. Mr. DeQuattro indicated that the Lease Agreement is for a term of five (5) years from October of 2002, through October of 2007. The Lease Agreement contains two (2) five (5) year options and one (1) four (4) year option. After the initial five (5) year term, if the Lease Agreement is renewed, the rental amount will increase by four (4%) percent thereafter, until the expiration of the Lease Agreement. Mr. DeQuattro provided the State Properties Committee with the Certificate of Disclosure and Insurance Certificate. Chairman Williams asked if the Lease Agreement is between the State of Rhode Island and GTech or Lottomatica. Mr. DeQuattro indicated the lease is between the State of Rhode Island and GTech. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

A motion was made to reopen the meeting for comments regarding Item J by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee,  
the meeting was adjourned at 11:48 a.m. A motion was made to adjourn by Mr. Kay and  
seconded by Ms. Allaire Johnson.

Passed Unanimously

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Holly H. Rhodes, Executive Secretary